

Message Text

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INFO AMEMBASSY LISBON

AMCONSUL PONTA DELGADA

C O N F I D E N T I A L SECTION 1 OF 3 OPORTO 0033

E.O. 11652: XGDS

TAGS: PINT PO

SUBJECT: SA CARNEIRO STEPS DOWN AT FIFTH PARTY CONGRESS

SUMMARY: SUMMARY: THE FIFTH PARTY CONGRESS OF THE SOCIAL DEMOCRATIC PARTY (PSD) GAVE A MANDATE TO SOUSA FRANCO TO LEAD THE PARTY IN A FIRM BUT SELECTIVE OPPOSITION TO THE NEWLY FORMED SOCIALIST/CENTER DEMOCRATIC GOVERNMENT. SA CARNEIRO DOMINATED THE CONGRESS BUT STEPPED DOWN TO A SECONDARY ROLE AS A MEMBER OF THE PARTY'S NATIONAL COUNCIL. MANY CONGRESS DELEGATES SEEMED DISSATISFIED OVER THE PROCEEDINGS AND RESULTS. WHILE THE PARTY LEADERSHIP CRISIS HAS BEEN AT LEAST TEMPORARILY RESOLVED, THE FUTURE OF THE PSD MAY DEPEND ON HOW WELL SOUSA FRANCO USES HIS MANDATE AND WHAT SA CARNEIRO REALLY INTENDS TO DO. END SUMMARY.

1. CONGRESS INTENTIONS. SOCIAL DEMOCRATS HELD THEIR FIFTH PARTY CONGRESS JANUARY 28-29 IN AN OPORTO MOVIE HOUSE. DISTRICT COMMITTEES, THE PARTY YOUTH ORGANIZATION (JSD) AND PROFESSIONAL ASSOCIATIONS SENT SOME 500 VOTING DELEGATES. ALSO PARTICIPATING WERE REPRESENTATIVES OF PORTUGUESE EMIGRANTS, MADEIRA, AND THE ACORES. THE CONGRESS HAD SEVERAL GOALS AS REVEALED IN PRESS COMMENTARIES AND INTERVIEWS AND INFORMAL CONTACTS BETWEEN
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CONGRESS PARTICIPANTS AND AMCONSUL/AMEMBASSY OFFICERS AT THE SCENE. THESE GOALS INCLUDED:

- RESOLVING THE PARTY LEADERSHIP CRISIS;
- DEVELOPING A PARTY PROGRAM DEFINING THE PSD ROLE IN OPPOSITION TO THE NEWLY FORMED GOVERNMENT;
- RESTRUCTURING NATIONAL PARTY APPARATUS; AND
- REINFORCING PARTY UNITY AND AGREEMENT.

2. SA CARNEIRO DOMINATES THE SCENE. FROM BEGINNING TO END, THE PRESENCE OF PARTY FOUNDER AND FORMER PRESIDENT SA CARNEIRO DOMINATED THE CONGRESS. THE PRESS WAS EXCLUDED FROM ALL SESSIONS BUT THE CLOSING CEREMONY WHICH WAS ALSO ATTENDED BY INVITED GUESTS AND HELD SIX HOURS LATER THAN SCHEDULED. OUTSIDE CORRIDOR IMPRESSION CONVEYED A SENSE OF CONSTANT POLITICKING AND MANEUVERING, EMOTIONAL DISCUSSIONS, SOME CONFUSION AND CONSIDERABLE DELAY. SA CARNEIRO APPARENTLY CAME OUT FIGHTING IN HIS OPENING SPEECH THE FIRST DAY. HE DEFENDED HIS ACTIONS IN THE NOVEMBER WALK-OUT, CRITICIZED SOUSA FRANCO AND THE MODERATES, AND CLAIMED THAT RUMORS OF HIS BAD HEALTH WERE NOTHING BUT A PLOT TO DESTROY HIM. SA CARNEIRO OFFERED TO PUT HIS FATE AT THE DELEGATES' HANDS AND HIS REMARKS WERE SAID TO BE WILDLY APPLAUDED. HIS INITIAL IMPACT WAS SUCH THAT OPORTO'S MAJOR DAILY HEADLINED JANUARY 29 "THE CONGRESS IS FORCING SA CARNEIRO TO ACCEPT PSD LEADERSHIP." EVENTS PROVED OTHERWISE.

3. TURNING POINT OVER PARTY PROGRAM. SA CARNEIRO DID NOT CONTINUE HIS INITIAL STRONG CHALLENGE. BY THE END OF THE FIRST DAY, THERE WERE INDICATIONS SA CARNEIRO WANTED TO STEPDOWN FROM PARTY LEADERSHIP AND HE LEFT THE MEETING EARLY. ONE TURNING POINT APPARENTLY CAME ON A MOTION JANUARY 29 TO REVOTE THE NEW PARTY PROGRAM DRAFTED BY MARCELO REBELO DE SOUSA AFTER THE FLOOR LEARNED SA CARNEIRO HAD ABSTAINED ON THE FIRST
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VOTE. SA CARNEIRO URGED AGAINST A REVOTE AND THE MOTION FAILED.

4. THE FINALE UNDER THE EYE OF SA CARNIERO. BY THE CLOSING CEREMONY, EXUBERANCE HAD GIVEN WAY TO RESIGNATION AMONG MANY DELEGATES. SOUSA FRANCO AND THE LISBON PARTY WING WERE GOING TO RECEIVE THE NEW PSD MANDATE BUT THIS WAS NOT SITTING WELL WITH SOME PARTICIPANTS. AMCONSUL/AMEMBASSY OBSERVERS ATTENDED THE FINALE ALONGSIDE OTHER DIPLOMATS AND PARTY REPRESENTATIVES. NEW PSD ORGANS AND MEMBERS WERE ANNOUNCED INCLUDING:

- THE NATIONAL POLITICAL COMMISSION OF 15 MEMBERS TO RUN PARTY AFFAIRS ON A DAY-TO-DAY BASIS HEADED BY PRESIDENT SOUSA FRANCO AND SECRETARY GENERAL SERVULO CORREIA; AND

- A 40-MEMBER NATIONAL COUNCIL SERVING AS THE PSD DELIBERATIVE BODY WHICH MEETS EVERY FEW MONTHS.

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DELEGATES CHOSE BETWEEN FIVE DIFFERENT LISTS FOR NATIONAL COUNCIL. ONLY SA CARNEIRO'S NAME WAS COMMON TO ALL FIVE AND A BARE MAJORITY WAS RECEIVED BY THE REPORTEDLY MOST MODERATE LIST. FOR THE OTHER ORGANS, ONLY SINGLE LISTS WERE PRESENTED FOR THE DELEGATES'S APPROVAL. THE NEW POLITICAL COMMISSION RECEIVED 468 VOTES. SA CARNEIRO HAD EARLIER LEFT THE PODIUM AND NOW REAPPEARED ON THE CLOSEST BALCONY OVERLOOKING THE STAGE. WITH REPEATED REFERENCES TO SA CARNEIRO IN WORDS AND UPWARD GLANCES, SOUSA FRANCO MADE THE CONGRESS CLOSING STATEMENT. SOME HIGHLIGHTS OF HIS REMARKS:

- CLASSIFYING THE CONGRESS AS ONE OF "UNITY IN PLURALITY;"
- ADMITTING THE CONGRESS LEFT "ASPECTS NOT COMPLETELY RECONCILED;" AND
- TERMING SA CARNEIRO (WITH ANOTHER UPWARD GLANCE) THE PSD'S "NUMBER ONE MEMBER WHO NOW OCCUPIED THE POSITION SA CARNEIRO HIMSELF WANTED."

SOUSA FRANCO APPEARED NERVOUS AND UNDER CONSIDERABLE STRAIN. HIS WORDS SOMETIMES SOUNDED WEAK AND HOLLOW. ONLY WHEN HE REFERRED TO SA CARNEIRO DID THE DELEGATES REALLY RESPOND.

5. SOME DELEGATES DISSATISFIED. THE PSD LEADERSHIP CRISIS IS
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RESOLVED FOR THE TIME BEING. SOUSA FRANCO HAS HIS MANDATE. SA CARNEIRO IS STAYING IN THE PARTY APPARATUS BUT WITH A SIGNIFICANTLY REDUCED ROLE. A PROGRAM OF "FIRM BUT SELECTIVE OPPOSITION" TO THE PS-CDS GOVERNMENT HAS BEEN AGREED UPON ALBEIT WITH SA CARNEIRO'S ABSTENTION. THE PARTY STRUCTURE

HAS ALSO BEEN REORGANIZED. THIS WAS ALL ACHIEVED WITHOUT ANY HEADS ROLLING IN THE LEADERSHIP SUCH AS OCCURRED AT THE DECEMBER 1975 AVEIRO CONGRESS. BUT CONSIDERABLE NUMBERS OF DELEGATES LEFT THE CONGRESS SEEMINGLY UNSATISFIED OR DISGRUNTLED OVER THE PROCEEDINGS AND RESULTS. TALK WAS HEARD THAT THE CONGRESS WAS A "BETRAYAL, A PAINFUL PROCESS OR AN ANTI-SA CARNEIRO COUP." ONE NEW POLITICAL COMMISSION MEMBER VEIRA DA CUNHA WAS BOOED FOR ALLEDGEDLY MANIPULATING THE PARTY PROGRAM VOTE AND SINGLE LIST ELECTIONS.

6. COMMENT. THE FUTURE OF THE PSD MAY DEPEND ON TWO QUESTIONS: HOW WELL SOUSA FRANCO USES HIS MANDATE AND WHAT WILL SA CARNEIRO DO? SOUSA FRANCO'S BEGINNING WAS NOT AUSPICIOUS. HE APPEARED VERY MUCH THE NERVOUS BRIDE ACUTELY AWARE OF SA CARNEIRO'S PRESENCE. THERE REMAINS THE ENIGMA OF SA CARNEIRO'S ACTIONS AT THE CONGRESS. HAD HE REALLY WANTED THE PRESIDENCY, SA CARNEIRO PROBABLY COULD HAVE SUCCESSFULLY FORCED THE ISSUE. HE CHOSE NOT TO DESPITE HIS REPUTATION FOR ALL OR NOTHING. WHY? PERHAPS HE BECAME CONVINCED THE COST WOULD BE TOO HIGH. SA CARNEIRO IS CONSIDERED BY FAR THE STRONGER OF SOUSA FRANCO IN TERMS OF PERSONALITY, CHARISMA AND FORCE OF CHARACTER. HOWEVER, THE PSD IS MOVING OUT OF ITS INITIAL FOUNDING STATE AND SOME OF THE CURRENT LEADERSHIP MIGHT HAVE LEFT THE PARTY HAD SA CARNEIRO RETAKEN CONTROL. THERE IS ANOTHER THEORY STEMMING FROM PRIVATE REMARKS OF RICARDO SA CARNEIRO ONE OF THE FEW FAMILY MEMBERS STILL IN CLOSE CONTACT WITH THE EX-PSD PRESIDENT.

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ACCORDING TO RICARDO, HIS BROTHER FRANSICO NEVER REALLY WANTED THE PRESIDENCY AT THIS TIME. THE PSD FOUNDER NEEDS TIME TO SETTLE HIS MESSY PERSONAL PROBLEMS AND START A HOPEFULLY

LUCRATIVE LAWYER'S PRACTICE AND NEW LIFE IN LISBON. FURTHERMORE, SA CARNEIRO DESPITE CLAIMS TO THE CONTRARY IS FAR FROM HEALTHY. IN ADDITION, SA CARNEIRO RECOGNIZES HE HAS CUT HIS RELATIONS WITH PRESIDENT EANES AND PRIME MINISTER SOARES. HE WOULD THEREFORE PREFER TO WAIT ON THE SIDELINES AT THIS TIME IN ANTICIPATION OF THE 1980 ELECTIONS AND HOPEFUL THAT THE NEW SOUSA FRANCO LEADERSHIP WILL PROVE INADEQUATE TO THE TASK. SA CARNEIRO'S INITIAL CHALLENGE AT THE FIFTH CONGRESS WAS ONLY DESIGNED TO ALLOW HIM TO TEMPORARILY RETIRE HIMSELF IN THE BEST POSSIBLE LIGHT. THIS SOUNDS PLAUSIBLE ALTHOUGH EVEN SA CARNEIRO'S BROTHER MAY NOT REALY KNOW FOR SURE. PENNER

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